

**From:** EBradoak@aol.com on 06/22/2004 10:00:53 PM

**Subject:** Debit Card Fees

Gentlemen:

Prompted by a recent online article, I wish to comment.

I see four common ways to pay for goods and services:

- Cash
- Check
- Credit card
- Debit card

Cash is most cost efficient for the merchant and the banking system, but possibly burdensome to the purchaser.

Check and credit card do not cost the purchaser, but both burden the banking system, and are a service to the purchaser.

Debit card is probably the most efficient, and if fund availability is checked before approving the transaction has the same risk as cash, except for card and PIN theft.

I do not see how debit card transactions differ from instant check transactions.

I think fees should reflect costs. Consumer banking is driven by fees that could not be justified by costs. Late payment fees are charged in addition to interest, but with effort, a consumer could take a cash advance then make a payment and avoid the charge, but have an even higher outstanding balance.

The business press cites "productivity increases" as the driver of American growth and high economic position. Fees that do not reflect service and value reward inefficiency. This is an economic negative. Further, fees that do not reflect value as seen by the payor provoke anger and frustration, a social negative.

Roger S. Rutter  
953 Hollister Road  
Owego, NY 13827  
(607) 687-8717